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## **Downsizing deals - Mechel Targoviste to lay off 249 workers**

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It is reported that Mechel Targoviste, a Romanian based subsidiary of the Russian mining and steel producing group Mechel, intends to implement a collective layoff scheme during the July to August period this year which would affect 249 workers.

According to Mechel Targoviste workers' union leader Mihai Toma, the reasons which have forced the company to take such measures are lack of demand, the refusal of customers to receive and pay for orders, and the losses incurred by the plant in recent months due to the economic crisis. According to local media reports in the first three months of 2009 Mechel Targoviste registered losses of RON 31.06 million whereas it recorded a profit in the same period last year.

Since the beginning of the current year, Mechel Targoviste has on several occasions sent its workers on technical leave, paying them 75% of their wages. At the end of the first quarter Mechel Targoviste had 3,128 employees.

(Sourced from SteelOrbis)

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